

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6523

BILL NUMBER: HB 1244

NOTE PREPARED: Jan 28, 2008

BILL AMENDED:

SUBJECT: Common School Fund; Certification Fee.

FIRST AUTHOR: Rep. Candelaria Reardon

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Congressional Township School Funds:* This bill allows for the transfer of Congressional Township School funds held by various counties to the Treasurer of State.

Delinquent Municipal Sewage Works Fees: The bill provides that the certification fee charged for parcels of real property on which fees are delinquent is due when the next installment of real property taxes is billed. (Current law provides that the certification fee is due when the next May installment of real property taxes is billed.)

Effective Date: July 1, 2008.

Explanation of State Expenditures: *Congressional Township School Funds:* The bill could increase the administrative expense of the State Treasurer's office and reduce the administrative workload for county treasurers. The bill would allow county councils to elect to surrender custody of the Congressional Township School Fund to the State Treasurer. The council may elect to surrender all or any part of the fund. The State Treasurer would be responsible for distributing the earnings from the funds to local schools like the county treasurers do currently.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The State Treasurer's office on June 30, 2007,

reverted \$123,084 to the state General Fund.

Background: In FY 2007, 202 schools received \$55,688 from Congressional Township Fund interest. About 16 counties do not have Congressional Township Funds.

Explanation of State Revenues:

Explanation of Local Expenditures: *Congressional Township School Funds:* See *Explanation of State of Expenditures*.

Explanation of Local Revenues: *Delinquent Municipal Sewage Works Fees:* The bill requires that the delinquent municipal sewage fees, penalties, service charges, recording fees, and certification fees are due not later than the due date of the next installment of property taxes. Under current law they are due before the next May installment of property taxes, except for a county with a consolidated city, which is due before the next property tax installment. The bill could cause the fee and charges to be paid earlier. It is unknown how much earlier delinquent fees might be paid.

State Agencies Affected: State Treasurer; State Auditor.

Local Agencies Affected: County Treasurers.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.